

23rd September 2025

FORM-3

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: **Announcement - Financial Results for the Year Ended 30th June 2025**

Dear Sir

We have to inform you that Board of Directors of our company, Arif Habib Corporation Limited (AHCL), in their meeting held on Monday, 22nd September 2025 at 5:15 p.m. at Arif Habib Centre, M. T. Khan Road, Karachi, recommended the following:

i) **CASH DIVIDEND**

A final Cash Dividend for the year ended 30th June 2025 at **100%** of the face value of Re.1/- per share **i.e. Re.1**. This is in addition to Interim Dividend already paid at NIL % i.e. Rs. Nil per share.

(ii) BONUS SHARES	NIL
(iii) RIGHT SHARES	NIL
(iv) ANY OTHER ENTITLEMENT/CORPORATE ACTION	NIL
(v) ANY OTHER PRICE-SENSITIVE INFORMATION	NIL

The financial results for the year ended 30th June 2025, along with the required additional statements, are attached herewith as follows :

- Unconsolidated Statement of Profit or Loss (Annexure-A-1)
- Unconsolidated Statement of Comprehensive Income (Annexure-A-2)
- Unconsolidated Statement of Financial Position (Annexure-A-3)
- Unconsolidated Statement of Changes in Equity (Annexure-A-4)
- Unconsolidated Statement of Cash Flows (Annexure-A-5)



- Consolidated Statement of Profit or Loss (Annexure-B-1)
- Consolidated Statement of Comprehensive Income (Annexure-B-2)
- Consolidated Statement of Financial Position (Annexure-B-3)
- Consolidated Statement of Changes in Equity (Annexure-B-4)
- Consolidated Statement of Cash Flows (Annexure-B-5)
- Directors' Report (Annexure-C)

The Annual General Meeting of the Company will be held on **Friday, 24th October 2025** at **11:30 a.m.** at **Karachi.**

The Share Transfer Books of the Company will be closed from **17th October 2025** to **24th October 2025** (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahrah-e-Faisal, Karachi at the close of the business on **Thursday, 16th October 2025** will be considered in time for the determination of entitlement of shareholders to cash dividend and to attend and vote at the Annual General Meeting.

The Annual Report of the Company will be transmitted through PUCARS at least 21 days before holding of Annual General Meeting.

Yours' faithfully



Manzoor Raza
Company Secretary



ARIF HABIB CORPORATION LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2025

(Annexure-A-1)

	Note	2025 Rupees	2024 Rupees
Dividend income		4,811,614,378	3,671,992,623
Other revenue	25	141,379,559	123,843,455
Gross revenue		<u>4,952,993,937</u>	<u>3,795,836,078</u>
Gain on sale of securities - net		671,654,035	387,985,101
Administrative expenses	26	(452,296,357)	(170,024,421)
Net finance cost	27	(529,728,159)	(302,834,800)
Gain on remeasurement of investments - net	28	23,809,347,453	7,158,555,719
(Loss) / gain on investment property - net		(5,189,439)	13,500,000
Operating profit		<u>28,446,781,470</u>	<u>10,883,017,677</u>
Other income	29	225,493	-
Other charges	30	(38,337,707)	(3,622,500)
Profit before levy and income tax		<u>28,408,669,256</u>	<u>10,879,395,177</u>
Levy	31	(19,230,152)	(19,269,309)
Profit before income tax		<u>28,389,439,104</u>	<u>10,860,125,868</u>
Income tax expense	32	(4,614,094,745)	(1,429,528,363)
Profit for the year		<u><u>23,775,344,359</u></u>	<u><u>9,430,597,505</u></u>
			(Restated)
Earnings per share - basic and diluted	33	<u><u>5.64</u></u>	<u><u>2.24</u></u>

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ARIF HABIB CORPORATION LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

(Annexure-A-2)

	2025 Rupees	2024 Rupees
Profit for the year	23,775,344,359	9,430,597,505
Other comprehensive income	-	-
Total comprehensive income for the year	<u>23,775,344,359</u>	<u>9,430,597,505</u>

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The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.



CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ARIF HABIB CORPORATION LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

(Annexure-A-3)

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	4	33,512,000	49,532,593
Intangible assets	5	-	141,875
Investment property	6	1,753,000,000	169,000,000
Long term investments	7	59,498,580,635	26,363,022,014
Long term loan to related party	8	140,000,000	149,670,165
Long term deposits and other receivable	9	4,893,280	5,880,378
		<u>61,429,985,915</u>	<u>26,737,247,025</u>
CURRENT ASSETS			
Loans and advances	10	1,526,727,252	4,056,863,482
Mark-up receivable	11	48,282,736	77,280,288
Prepayments and other receivables	12	661,394,716	660,748,917
Short term investments	13	2,522,429,927	6,794,188,359
Cash and bank balances	14	102,976,469	45,975,441
		<u>4,861,811,100</u>	<u>11,635,056,487</u>
TOTAL ASSETS		<u>66,291,797,015</u>	<u>38,372,303,512</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		<u>10,000,000,000</u>	<u>10,000,000,000</u>
Share capital			
Issued, subscribed and paid up share capital	15	4,216,967,470	4,083,750,000
Shares to be issued under scheme of arrangement	16	-	133,217,470
		<u>4,216,967,470</u>	<u>4,216,967,470</u>
Revenue reserves			
General reserve		4,000,000,000	4,000,000,000
Unappropriated profit		46,675,938,446	25,852,471,316
TOTAL EQUITY		<u>54,892,905,916</u>	<u>34,069,438,786</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred taxation - net	17	4,919,384,423	1,317,575,057
Contributions from musharaka participants	18	529,770,710	-
Lease liability	19	-	17,904,171
Loan from sponsor	20	3,301,707,946	-
		<u>8,750,863,079</u>	<u>1,335,479,228</u>
CURRENT LIABILITIES			
Running finance under markup arrangement	21	534,837,635	501,329,430
Loan from sponsor	20	-	800,000,000
Other payables	22	973,925,751	1,039,208,977
Current portion of lease liability	19	17,904,174	12,823,623
Taxation - payments less provision	23	1,092,903,050	591,841,742
Unclaimed dividend		28,457,410	22,181,726
		<u>2,648,028,020</u>	<u>2,967,385,498</u>
TOTAL LIABILITIES		<u>11,398,891,099</u>	<u>4,302,864,726</u>
Contingencies and commitments	24		
TOTAL EQUITY AND LIABILITIES		<u>66,291,797,015</u>	<u>38,372,303,512</u>

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ARIF HABIB CORPORATION LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

(Annexure-A-4)

	Reserves				Sub total	Total
	Capital Reserves	Revenue Reserves				
	Shares to be issued under scheme of arrangement	General reserve	Unappropriated profit			
Issued, subscribed and paid up share capital	(Rupees)					
Balance as at July 1, 2023	4,083,750,000	-	4,000,000,000	12,385,423,995	16,385,423,995	20,469,173,995
Transactions with owners of the Company recorded directly in equity - distributions						
Effect of scheme of arrangement / merger - note 1.2	-	133,217,470	-	4,036,449,816	4,169,667,286	4,169,667,286
Total comprehensive income for the year ended June 30, 2023						
Profit for the year	-	-	-	9,430,597,505	9,430,597,505	9,430,597,505
Other comprehensive income for the year	-	-	-	-	-	-
	-	-	-	9,430,597,505	9,430,597,505	9,430,597,505
Balance as at June 30, 2024	<u>4,083,750,000</u>	<u>133,217,470</u>	<u>4,000,000,000</u>	<u>25,852,471,316</u>	<u>29,985,688,786</u>	<u>34,069,438,786</u>
Transactions with owners of the Company recorded directly in equity - distributions						
Final cash dividend at the rate of Rs. 7 per share for the year ended June 30, 2024	-	-	-	(2,951,877,229)	(2,951,877,229)	(2,951,877,229)
Effect of scheme of arrangement / merger - note 1.2	133,217,470	(133,217,470)	-	-	(133,217,470)	-
Total comprehensive income for the year ended June 30, 2024						
Profit for the year	-	-	-	23,775,344,359	23,775,344,359	23,775,344,359
Other comprehensive income for the year	-	-	-	-	-	-
	-	-	-	23,775,344,359	23,775,344,359	23,775,344,359
Balance as at June 30, 2025	<u>4,216,967,470</u>	<u>-</u>	<u>4,000,000,000</u>	<u>46,675,938,446</u>	<u>50,675,938,446</u>	<u>54,892,905,916</u>

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ARIF HABIB CORPORATION LIMITED
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

(Annexure-A-5)

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash generated from / (used in) operations	35	2,389,555,408	(1,886,277,983)
Long term loan to related party - net		9,670,165	(71,566,508)
Income tax and levies paid		(530,454,223)	(415,202,377)
Interest received		165,382,722	454,541,498
Finance cost paid		(765,025,601)	(731,331,981)
Net cash generated from / (used in) operating activities		1,269,128,471	(2,649,837,351)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	4.1	(2,536,746)	(1,975,874)
Dividend received		4,811,614,378	3,671,992,623
Proceeds from disposal of property and equipment		110,145	-
Acquisition of long term investments		(4,939,243,437)	(311,133,839)
Proceeds from disposal of long term investments		403,711,063	-
Acquisition of investment property	6.2	(1,710,020,000)	-
Proceeds from disposal of investment property		128,063,321	-
Proceeds from long term deposits and other receivable		987,098	325,000,000
Net cash (used in) / generated from investing activities		(1,307,314,178)	3,683,882,910
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(2,945,601,545)	(19,651)
Loan received from sponsor		2,501,707,946	800,000,000
Contributions from musharika participants		522,537,950	-
Payment of lease liability	19	(17,191,314)	(15,125,340)
Net cash generated from financing activities		61,453,037	784,855,009
Net increase in cash and cash equivalents		23,267,330	1,818,900,568
Cash and cash equivalents at beginning of the year		(455,353,989)	(2,273,932,057)
Effect of exchange rate fluctuations on cash held		225,493	(322,500)
Cash and cash equivalents at end of the year	36	(431,861,166)	(455,353,989)

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ARIF HABIB CORPORATION LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2025

(Annexure-B-1)

	Note	2025 Rupees	2024 Rupees
Revenue	35	9,204,577,411	9,958,775,201
Gain on remeasurement of investments - net	36	2,091,904,255	192,901,618
Gain on remeasurement of investment properties	9.1.5	13,747,240	12,650,971
Gain on sale of investments - net		1,724,345,185	765,187,414
(Loss) / gain on sale of investment properties		<u>(18,936,679)</u>	<u>749,029</u>
		13,015,637,412	10,930,264,233
Cost of energy sales	37	(1,960,003,974)	(1,945,518,459)
Administrative expenses	38	(2,464,748,661)	(1,659,612,372)
Other income	39	90,746,299	73,223,561
Finance costs	40	(1,461,622,687)	(1,824,415,199)
Other charges	41	<u>(108,124,283)</u>	<u>(18,450,415)</u>
		7,111,884,106	5,555,491,349
Share of profit of equity accounted investees - net of tax	10.4	<u>6,843,256,104</u>	<u>4,768,956,103</u>
Profit before levies and income tax		13,955,140,210	10,324,447,452
Levies	42	<u>(21,987,963)</u>	<u>(22,223,159)</u>
Profit before income tax		13,933,152,247	10,302,224,293
Income tax expense	43	<u>(2,795,452,293)</u>	<u>(1,788,516,684)</u>
Profit for the year		11,137,699,954	8,513,707,609
Profit attributable to:			
Equity holders of the Parent Company		10,389,294,052	7,820,182,695
Non-controlling interests		748,405,902	693,524,914
		<u>11,137,699,954</u>	<u>8,513,707,609</u>
			(Restated)
Earnings per share - basic & diluted	44	<u>2.46</u>	<u>1.85</u>

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements. MSL

CHIEF EXECUTIVE OFFICER

DIRECTOR


CHIEF FINANCIAL OFFICER

ARIF HABIB CORPORATION LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

(Annexure-B-2)

	2025 Rupees	2024 Rupees
Profit for the year	11,137,699,954	8,513,707,609
Other comprehensive income		
Items that may be reclassified subsequently to consolidated statement of profit or loss		
Share of other comprehensive loss of equity accounted investees - net of tax	(19,441,179)	(15,123,971)
Items that will not be reclassified subsequently to consolidated statement of profit or loss	-	-
Other comprehensive loss for the year - net of tax	<u>(19,441,179)</u>	<u>(15,123,971)</u>
Total comprehensive income	<u>11,118,258,775</u>	<u>8,498,583,638</u>
Total comprehensive income attributable to:		
Equity holders of the Parent Company	10,369,852,873	7,805,058,724
Non-controlling interests	748,405,902	693,524,914
	<u>11,118,258,775</u>	<u>8,498,583,638</u>

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer



ARIF HABIB CORPORATION LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

(Annexure-B-3)

	Note	2025 Rupees	2024 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	15,680,551,145	16,862,656,879
Intangible assets	6	685,389	978,594
Goodwill	7	910,206,117	910,206,117
Trading right entitlement certificate, membership cards and offices	8	5,600,000	5,600,000
Investment properties	9	1,791,900,000	207,900,000
Equity accounted investees	10	31,315,641,617	19,528,823,031
Other long term investments	11	8,349,314,000	4,832,776,004
Long term loan to related party	12	140,000,000	149,670,165
Long term advances, deposits and other receivables	13	32,240,987	56,374,711
		<u>58,226,139,255</u>	<u>42,554,985,501</u>
CURRENT ASSETS			
Trade debts	14	6,456,793,572	5,766,986,879
Loans and advances	15	1,528,340,074	4,056,876,080
Deposits and prepayments	16	405,221,564	304,237,366
Receivable under margin trading system		2,675,008	12,631,269
Receivable against trading of securities - net		683,091,537	-
Accrued mark-up and other receivables	17	1,488,824,124	1,233,332,362
Short term investments	18	3,624,012,681	7,344,894,001
Cash and bank balances	19	4,208,883,734	3,768,472,554
		<u>18,397,842,294</u>	<u>22,487,430,511</u>
TOTAL ASSETS		<u><u>76,623,981,549</u></u>	<u><u>65,042,416,012</u></u>

Continued - Page 1 of 2

ARIF HABIB CORPORATION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	2025 Rupees	2024 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up share capital	20	4,216,967,470	4,083,750,000
Shares to be issued under scheme of arrangement	21	-	133,217,470
		<u>4,216,967,470</u>	<u>4,216,967,470</u>
Capital reserves			
Surplus on revaluation	22	7,835,000	7,835,000
Revenue reserves			
General reserve	23	4,019,567,665	4,019,567,665
Unappropriated profit		42,170,680,587	34,805,458,414
Equity attributable to owners of the Parent Company		<u>50,415,050,722</u>	<u>43,049,828,549</u>
Non-controlling interest	24	<u>2,800,556,060</u>	<u>2,364,303,954</u>
TOTAL EQUITY		53,215,606,782	45,414,132,503
NON-CURRENT LIABILITIES			
Long term loans - secured	25	2,781,327,837	5,449,490,891
Land lease liability	26	29,879,210	34,301,663
Lease liability	27	25,552,453	61,770,819
Staff retirement benefits	28	53,988,903	46,016,466
Loan from sponsor	29	3,301,707,946	-
Contributions from musharaka participants	30	529,770,710	-
Deferred taxation - net	31	5,431,544,964	4,095,822,090
		<u>12,153,772,023</u>	<u>9,687,401,929</u>
CURRENT LIABILITIES			
Trade and other payables	32	5,072,705,566	3,786,220,633
Accrued mark-up		118,058,516	264,357,754
Sales tax payable		377,749,807	208,926,360
Short term borrowings	33	1,396,611,538	1,165,647,311
Loan from sponsor	29	-	800,000,000
Current portion of long term loans - secured	25	2,841,000,000	2,788,000,000
Current portion of lease liability	27	51,361,014	43,961,487
Current portion of land lease liability	26	12,712,000	9,280,000
Payable against purchase of investment - net		-	198,721,206
Taxation - provision less payments		1,333,117,330	631,925,278
Unclaimed dividend		51,286,973	43,841,551
		<u>11,254,602,744</u>	<u>9,940,881,580</u>
TOTAL LIABILITIES		23,408,374,767	19,628,283,509
Contingencies and commitments	34	-	-
TOTAL EQUITY AND LIABILITIES		76,623,981,549	65,042,416,012

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

ARIF HABIB CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

(Annexure-B-4)

	Equity attributable to owners of the Parent Company					Non-controlling interests	Total equity	
	Issued, subscribed and paid-up share capital	Capital reserve		Revenue reserves				
		Shares to be issued under scheme of arrangement	Surplus on revaluation	General reserve	Unappropriated profit			Total
	----- (Rupees) -----							
Balance as at 1 July 2023	4,083,750,000	-	7,835,000	4,019,567,665	26,004,636,795	34,115,789,460	3,070,755,570	37,186,545,030
Total comprehensive income for the year								
Profit for the year	-	-	-	-	7,820,182,695	7,820,182,695	693,524,914	8,513,707,609
Other comprehensive loss	-	-	-	-	(15,123,971)	(15,123,971)	-	(15,123,971)
	-	-	-	-	7,805,058,724	7,805,058,724	693,524,914	8,498,583,638
Effects of scheme of arrangement - note 1.1.1	-	133,217,470	-	-	995,762,895	1,128,980,365	(1,128,980,365)	-
Effect of scheme of arrangement on NCI	-	-	-	-	-	-	-	-
Distribution by subsidiaries	-	-	-	-	-	-	(270,996,165)	(270,996,165)
Balance as at 30 June 2024	4,083,750,000	133,217,470	7,835,000	4,019,567,665	34,805,458,414	43,049,828,549	2,364,303,954	45,414,132,503
Total comprehensive income for the year								
Profit for the year	-	-	-	-	10,389,294,052	10,389,294,052	748,405,902	11,137,699,954
Other comprehensive loss	-	-	-	-	(19,441,179)	(19,441,179)	-	(19,441,179)
	-	-	-	-	10,369,852,873	10,369,852,873	748,405,902	11,118,258,775
	4,083,750,000	133,217,470	7,835,000	4,019,567,665	45,175,311,287	53,419,681,422	3,112,709,856	56,532,391,278
Transactions with owners recorded directly in equity								
Final cash dividend at the rate of Rs. 7 per share for the year ended 30 June 2024	-	-	-	-	(2,951,877,229)	(2,951,877,229)	-	(2,951,877,229)
Effects of scheme of arrangement - note 1.1.1	133,217,470	(133,217,470)	-	-	-	-	-	-
Transaction with non controlling interest - note 24.3	-	-	-	-	(52,753,471)	(52,753,471)	(8,586,216)	(61,339,687)
Distribution by subsidiaries	-	-	-	-	-	-	(303,567,580)	(303,567,580)
Balance as at 30 June 2025	4,216,967,470	-	7,835,000	4,019,567,665	42,170,680,587	50,415,050,722	2,800,556,060	53,215,606,782

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

Chief Executive Officer


Chief Financial Officer

ARIF HABIB CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

(Annexure-B-5)

	Note	2025 Rupees	2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	46	8,114,513,041	7,760,974,982
Income tax and levies paid		(778,030,049)	(637,771,015)
Mark-up received		542,211,131	999,437,344
Finance cost paid		(1,473,336,025)	(1,826,710,577)
Gratuity paid		(2,634,746)	(3,664,277)
Net cash generated from operating activities		6,402,723,352	6,292,266,457
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(61,956,047)	(9,941,990)
Dividend from equity accounted investee		2,848,949,906	1,435,500,927
Acquisition of investment property	9.1.2	(1,710,020,000)	-
Acquisition of long term investment		(265,529,695)	(428,648,677)
Investment in equity accounted investee		(4,507,198,517)	-
Proceeds from disposal of investment property	9.1.3	128,063,321	7,500,000
Proceeds from sale of property, plant and equipment		1,007,837	320,000
Proceed from sale of equity accounted investees		365,837,209	-
Long term deposit and other receivables recovered		24,133,724	-
Acquisition of equity interest in subsidiary		(143,060,389)	-
Net cash (used in) / generated from investing activities		(3,319,772,651)	1,004,730,260
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loan		(2,807,750,000)	(2,874,500,000)
Contribution from musharaka participants	30	522,537,950	-
Loan received from sponsor	29	2,501,707,946	800,000,000
Short term borrowing proceeds		230,964,227	-
Refund against advance against equity		-	(2,000,000)
Distribution by subsidiary to non-controlling interest		(303,567,580)	(270,996,165)
Dividend paid		(2,951,877,229)	-
Land lease rent paid	26	(9,280,000)	(10,960,000)
Lease rentals paid		(56,239,062)	(47,916,662)
Net cash used in financing activities		(2,873,503,748)	(2,406,372,827)
Net change in cash and cash equivalents		209,446,953	4,890,623,890
Cash and cash equivalents at beginning of the year		2,602,825,243	(2,287,798,647)
Cash and cash equivalents at end of the year	47	2,812,272,196	2,602,825,243

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

Chief Executive Officer

Director

Chief Financial Officer

DIRECTORS REPORT

ARIF HABIB CORPORATION LIMITED – 2025

DEAR FELLOW SHAREHOLDERS,

The Board of Directors is pleased to present the Annual Report of Arif Habib Corporation Limited (AHCL) along with the audited financial statements and the auditors' report for the financial year ended 30th June 2025.

PRINCIPAL ACTIVITIES

Arif Habib Corporation Limited (AHCL) is the holding company of the Arif Habib Group, with investments in a diversified portfolio spanning fertilizers, financial services, energy, cement, steel, real estate, and listed securities.

THE ECONOMY

Pakistan's economy in FY25 consolidated steadily, supported by IMF-backed reforms, a stronger external sector, and a gradual recovery in activity. Real GDP expanded by 2.68%, driven by services and industry, while remittances climbed to USD 38.3 billion, enabling the country to post its first external surplus since FY11. Foreign exchange reserves rose 54.5% to USD 14.5 billion, the PKR appreciated by 1.4%, and technology exports advanced 18% YoY. Inflation fell sharply to 4.5%, allowing interest rates to ease from 20.5% to 11%, setting the foundation for a more sustainable growth path.

FINANCIAL RESULTS

For the financial year 2024-25, AHCL reported a consolidated profit-after-tax attributable to equity holders of the Parent Company of PKR 10,389 million, compared to PKR 7,820 million in the previous year. This translates to earnings of PKR 2.46 per share, compared to PKR 1.85 per share (restated) last year.

On an unconsolidated basis, AHCL posted a profit-after-tax of PKR 23,775 million, equating to earnings of PKR 5.64 per share, a notable improvement compared to the profit-after-tax of PKR 9,431 million (or PKR 2.24 per share (restated)) recorded last year. The enhanced profitability is primarily driven by dividends and realized and unrealized gains on investments.

The Board has recommended declaration of a final Cash Dividend for the year ended 30th June 2025 at 100% of the face value of Re.1/- per share i.e. Re.1. This entitlement shall be available to

those shareholders whose names appear on the shareholders' register at the close of business on 16th October 2025.

CAPITAL RESTRUCTURING

The following material changes occurred in the Company's share capital during the year under review:

▪ **Allotment of Shares Pursuant to Scheme of Arrangement**

As part of a Scheme of Arrangement sanctioned by the Honourable High Court of Sindh on 21st October 2024, the Company allotted 13,321,747 ordinary shares to eligible shareholders of Arif Habib Limited on 31st October 2024. Consequently, the number of issued ordinary shares increased from 408,375,000 to 421,696,747.

▪ **Share Subdivision**

To enhance liquidity and broaden investor participation, the shareholders approved a share subdivision on 19th March 2025. The face value of each ordinary share was reduced from PKR 10 to PKR 1, resulting in an increase in the number of issued shares to 4,216,967,470, without affecting the Company's total paid-up capital or shareholders' rights.

In line with IAS 33 – Earnings Per Share, EPS for all periods presented has been retrospectively adjusted to reflect the effect of the share subdivision as if it had occurred at the beginning of the earliest period presented.

PERFORMANCE OF INVESTEE COMPANIES

A brief review of our investee companies is as follows:

FERTILISERS

Fatima Fertilizer Company Limited (FATIMA), an associate of the Company, delivered strong operational and financial results for the year ended 30th June 2025. FATIMA posted an after-tax profit of PKR 39,746 million, compared to PKR 31,357 million in the previous year. Despite a contraction in the local fertilizer market due to stressed farmer economics, the company strengthened its market share. This performance was supported by improved plant efficiencies, uninterrupted operations with all plants exceeding their production targets, and energy conservation initiatives. AHCL received dividends of PKR 2,288 million from FATIMA during the year.

FINANCIAL SERVICES

Supported by IMF-backed reforms and improved investor sentiment FY25 marked a year of consolidation for Pakistan's economy, with the KSE-100 index closing at a record 125,627 points. Arif Habib Limited (AHL), AHCL's corporate brokerage house, delivered strong results, with profit after tax rising 60% year-on-year to PKR 979 million and operating revenues growing 37% to PKR 1.54 billion. Earnings per share stood at PKR 14.99, and the Board approved a 100% cash dividend amounting to PKR 653 million. AHCL earned a dividend of PKR 249.90 million from AHL during the year.

WIND POWER

Sachal Energy Development (Pvt) Limited (SEDPL), AHCL's wind power project, sustained its strong operational performance during FY25, maintaining a plant availability factor of over 99% since COD and continuing to supply clean energy to the national grid. SEDPL posted an after-tax profit of PKR 3,526.87 million, down from PKR 3,708.32 million in the previous year.

AHCL earned a dividend of PKR 1,373.23 million from SEDPL during the year.

REAL ESTATE

Javedan Corporation Limited (JCL) sustained strong momentum at Naya Nazimabad during the year. Upholding the Arif Habib Group's commitment to transparency and documentation, projects continued to progress through REIT structures with construction on schedule. Key milestones included the launch of the Business Enclave, handover of commercial shops in Rahat Residency Phase II, and steady advancement of apartment developments, reinforcing Naya Nazimabad's position as Karachi's leading master-planned community. JCL posted a profit after tax of PKR 1,636 million, translating into earnings per share of PKR 4.3. AHCL has earned PKR 602.13 in dividends from its real estate investments.

STEEL

Aisha Steel Mills Limited (ASML) closed the year with sales of 148,942 tons (including 25,456 tons exports) and production of 158,732 tons. Revenue stood at PKR 33,752 million, while margins came under pressure from volatile HRC prices and low-cost imports, leading to a net loss of PKR 1,352 million.

Despite these challenges, overall demand for CRC and GI improved, and management remains focused on cost optimization, operational efficiencies, and leveraging market opportunities to strengthen ASML's competitive position.

CEMENT AND CONSTRUCTION ALLIED

Power Cement Limited delivered a strong turnaround in FY25, posting a net profit of PKR 815 million against a loss of PKR 2.70 billion last year. Gross profit rose by 24% to PKR 8.40 billion, supported by higher selling prices, efficiency gains, and greater use of alternative fuels. Finance costs declined substantially on the back of lower policy rates, disciplined working capital management, and debt repayments. These measures strengthened margins and restored profitability, placing Power Cement on a solid path for sustained growth. Safe Mix Concrete Limited performed steadily, reporting a profit after tax of PKR 102.71 million.

FUTURE OUTLOOK

FY26 is expected to build on recent momentum, with real GDP growth projected at 3.3–3.5% driven by an incremental saving in agriculture and steady gains in services and industry. Inflation is anticipated to remain contained at 5–7%, while the current account deficit is likely to stay manageable despite recovering imports. Stability in the PKR, supported by IMF programs and access to international financing, along with for further rate cuts during the current year, strengthen the outlook for sustained growth.

However, the Climate Change driven recent devastating rains, as well as the glacier-melt caused floods in the provinces of Khyber Pakhtunkhwa and Punjab have caused damage to infrastructure, crops, and private property. The extent of losses is still being assessed, though initial reports suggest they are marginal. Nevertheless, the Government is actively engaged with the international community to take effective and urgent measures to mitigate the global warming and prevent the adverse impact which our region is likely to suffer, despite it being no fault of countries in the region.

Investee companies are well-positioned for the current year, supported by continued growth in fertilizers and brokerage, resilience in real estate and power, and improving prospects in cement and steel. With a strategic focus on efficiency, growth, and value creation, the Company is confident of delivering consistent and sustainable improved performance going forward.

RISK MANAGEMENT

A comprehensive risk management system, devised by the Board, is in place to integrate organizational and procedural controls that identify, assess, and manage risks that could impact the Company's going-concern status. This framework promotes a balanced approach to risk-taking across all levels, ensuring that opportunities and risks are recognized at an early stage, measured effectively, and addressed through suitable instruments and controls.

As an investment-focused company, AHCL has evolved its risk management practices in line with its investment strategy. An annual review of business risks is conducted to ensure robust systems

of risk identification, monitoring, and internal control are in place to safeguard the Company's assets, resources, reputation, and shareholder interests. Since inception, the Company has followed a disciplined policy of diversification across sectors and companies, underpinned by fundamental analysis and value investing principles. Risks are managed by applying prudence in security selection, avoiding concentration risk, ensuring adequate collateral and cash flow potential, and evaluating counterparty capacity. The Company has also contributed to strengthening capital market infrastructure through the active role of its representatives.

For strategic investments, risk management processes are tailored to the nature of each project. Decisions are taken after comprehensive analysis of risks and opportunities, with focus areas including strong governance, clear policies and procedures, continuous monitoring, robust management information systems, and effective internal controls. Management undertakes systematic reviews of risk and compliance, covering financial reporting, CSR, integrity, code of conduct, and regulatory requirements. Operational risks are mitigated through detailed pre-investment assessments, active representation on investee boards by experienced professionals, application of budgetary and internal controls, and continuous performance reviews, with divestment pursued where necessary. Oversight is further strengthened through the Board's Investment Committee, which vets and monitors all strategic investments with support from timely management reporting. Detailed qualitative and quantitative disclosures on risk management are presented in Note # 38 to the financial statements.

As an investment holding company, AHCL also promotes responsible business practices across its investee companies. While not directly engaged in manufacturing, we actively encourage our portfolio companies to integrate environmental, social, and governance (ESG) principles into their operations, including climate risk mitigation, community engagement, and sustainable practices. We further advocate for diversity, equity, and inclusion (DE&I), promoting policies that enhance gender equality and foster greater female participation in leadership roles.

CAPITAL MANAGEMENT AND LIQUIDITY

The Company follows a policy of maintaining a strong capital base to ensure investor, creditor, and market confidence, support future business growth, and sustain its ability to continue as a going concern. The objective is to provide returns to shareholders and benefits to other stakeholders while maintaining an optimal capital structure to reduce the cost of capital.

The Board of Directors monitors return on capital, defined as net profit after tax divided by total shareholders' equity. While the Company undertook certain capital restructuring initiatives in recent years, including the allotment of shares pursuant to a Scheme of Arrangement and a share subdivision, there has been no change in its overall approach to capital management. The Company is not subject to any externally imposed capital requirements.

HUMAN RESOURCE/OUR PEOPLE AND CULTURE

At AHCL, our people remain the foundation of our sustained growth and value creation. We take pride in their commitment and competence and continue to invest in their long-term development through training, recognition, and transparent performance management. Our belief remains that the strength of our business rests on the adaptability, accountability, and continuous improvement of our workforce.

We are committed to building a diverse, equitable, and inclusive workplace where every individual can thrive. Recruitment practices are being enhanced to attract talent from diverse backgrounds, with a focus on increasing female participation, while career development is evaluated against transparent benchmarks. During the year, plans for conducting Diversity, Equity, and Inclusion (DEI) workshops were developed to promote inclusive thinking, while whistleblower and grievance mechanisms were reviewed and found to be adequate. Gender equality and pay transparency remain key priorities, with women currently representing 12.5% of our Board, alongside efforts to build a strong leadership pipeline for women and implement a formal pay equity framework.

Employee well-being remains central to our philosophy. A large number of employees across the Group participated in development programs during the year, while enhanced health insurance, mental wellness initiatives, and awareness campaigns further reinforced our people-first approach. Succession planning and leadership development efforts remain focused on identifying high-potential talent and preparing them for executive responsibilities. By embedding DEI practices and fostering an ethical and supportive culture, AHCL continues to strengthen its most valuable asset—its people—and looks ahead with determination to becoming an employer of choice and a benchmark for human capital development in Pakistan.

Equity remains a priority, and the Company is taking proactive steps to comply with SECP's circular on the gender pay gap. This global challenge reflects disparities in earnings driven by occupational segregation, experience differences, and systemic biases. Addressing it is key to ensuring fair compensation, inclusivity, and sustainable growth. By aligning with international best practices and regulatory guidelines, the Company seeks to enhance transparency, ensure pay equity, and reinforce its commitment to diversity and inclusion. A snapshot of the pay gap is provided below:

Mean gender pay gap	5.74%
Median gender pay gap	-95.86%

MATERIALITY APPROACH ADOPTED

The Board of Directors closely monitors all material matters of the Company. In general, matters are considered to be material if, individually or in aggregate, they are expected to significantly affect the performance and profitability of the Company in accordance with the policy.

CORPORATE SOCIAL RESPONSIBILITY (CSR) & ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Since inception, the Arif Habib Group has believed that business must serve a purpose beyond profit. Responsible and sustainable development has remained central to our philosophy, guiding us to act with care, responsibility, and sensitivity towards the communities and environments we touch.

Our CSR programs extend meaningful support across education, healthcare, environment, community welfare, sports, and relief work—areas where we can create real, lasting impact. We also place the well-being of our employees and stakeholders at the core, ensuring their safety, growth, and prosperity.

Aligned with our values, we have embedded ESG principles across our businesses to ensure that sustainability and governance go hand in hand with growth. Energy efficiency, conservation, and responsible power use are integral to our daily operations, while we actively pursue opportunities in renewable energy and research that reduce resource consumption and climate impact.

Transparency and accountability remain the foundation of our governance practices, as we consistently fulfill our obligations to the national economy and uphold the highest standards of corporate conduct.

Looking forward, we remain committed to strengthening Pakistan's growth story by reinvesting in its people, economy, and environment—anchored in the belief that true progress balances profitability with sustainability. Contributions by Group companies are detailed on Page # ____.

CORPORATE GOVERNANCE

AHCL, a listed company on the Pakistan Stock Exchange, remains committed to the highest standards of corporate governance. The Board and management diligently observe the Code of Corporate Governance prescribed for listed companies, ensuring their responsibilities are discharged with transparency, accountability, and fairness.

The Board affirms that proper books of accounts have been maintained, with appropriate accounting policies consistently applied, except where new or amended standards require otherwise (as disclosed in Note # 2.5 of the audited financial statements). The financial statements have been prepared in line with International Financial Reporting Standards (as applicable in

Pakistan), using prudent judgment and reasonable estimates, and present a true and fair view of the Company’s financial position, performance, cash flows, and changes in equity. Internal controls, including financial controls, are well-designed, effectively implemented, and regularly monitored. The Company has no outstanding liabilities in respect of taxes, duties, levies, or employee retirement benefits.

AHCL nominates directors to the boards of its strategic investments based on its stake. Where applicable, nominees and representatives actively engage with the management of investee companies on business plans and budgets, with performance measured against agreed targets. Progress is periodically reviewed to ensure alignment with the Group’s strategic objectives.

The Board reaffirms its full confidence in the Company’s ability to continue as a going concern. No material departure has occurred from the best practices of corporate governance. AHCL has consistently sought to set benchmarks of excellence in governance, many of which were adopted voluntarily even before they became regulatory requirements.

COMPOSITION OF BOARD / COMMITTEES

Out of the total eight Directors, seven Directors are male, whereas one Director is female. The composition of the existing Board of Directors and its Committees is as follows:

Board of Directors	Category	Audit Committee	Human Resource & Remuneration Committee	Investments & Risk Management Committee	Nomination Committee
Khawaja Najamuddin Roomi	Independent	Chairman	-	-	-
Ms. Zeba Bakhtiar		-	Chairperson	-	-
Mr. Asadullah Khawaja (<i>Chairman</i>)	Non-Executive	-	-	-	-
Mr. Nasim Beg		-	Member	Member	-
Mr. Samad A. Habib		-	-	Member	Member
Mr. Kashif A. Habib		Member	Member	Member	-
Mr. Muhammad Ejaz		Member	-	-	-
Mr. Arif Habib (<i>Chief Executive</i>)	Executive	-	Member	Chairman	Chairman

The Board has assigned the functions of the Sustainability Committee to the existing Human Resource & Remuneration Committee.

CHANGES IN BOARD COMPOSITION AND ELECTION OF DIRECTORS

In accordance with Section 161 of the Companies Act, 2017, the three-year term of the eight directors elected at the Extra-Ordinary General Meeting held on 21st September 2022 is concluded on 22nd September 2025. Pursuant to Section 159(3) of the Act, eight individuals offered

themselves for election, which was equal to the number of directors fixed by the Board under Section 159(1). As the number of candidates was not more than the number of directors to be elected, all were deemed elected unopposed in accordance with the law. The election of these eight directors was confirmed and approved by the shareholders at the Extraordinary General Meeting held on 22nd September 2025, for a further term of three years, ending in September 2028. All outgoing directors contested the election and were re-elected. No casual vacancy occurred on the Board during the financial year ended 30th June 2025.

DIRECTORS REMUNERATION POLICY

The Non-Executive and independent directors of Arif Habib Corporation Limited may claim meeting fee for attending Board of Directors meeting or any of Boards' sub-committee meeting at the rate approve by Board of Directors from time to time.

Payment of remuneration against assignment of extra services by any director shall be determined by the Board of Directors on the basis of standards in the market and scope of the work and shall be in line as allowed by the Articles of Association of the Company. Levels of remuneration shall also be appropriate and commensurate with the level of responsibility and expertise. However, for an Independent Director, it shall not be at a level that could be perceived to compromise the independence.

The Chief Executive Officer is the only executive director on the Board. Disclosure with respect to remuneration package of chief executive, director and executives is presented in Note # 34 to the annexed audited unconsolidated financial statements. Disclosure relating to meeting fee paid to Non-Executive Directors is included in Note # 34.2 to the annexed audited financial statements.

ATTENDANCE AT BOARD MEETINGS

A statement showing the names of the persons who were directors of the Company during the financial year, along with their attendance at Board and Committee(s) meetings, is annexed as Annexure-I.

TRADING IN THE COMPANY'S SHARE BY DIRECTORS AND EXECUTIVES

All Directors including the Chief Executive, Chief Financial Officer and Executives of the Company were informed by the Company Secretary to immediately inform in writing, any trading in the Company's shares by themselves or by their spouses and to deliver a written record of the price, number and form of shares and nature of transaction within 7 days of such transaction to the Company Secretary.

A statement showing the Company's shares transacted by its Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor family members is annexed as Annexure-II. Except as disclosed in Annexure-II, there has been no transaction in Company's shares by any other employee whose basic salary exceeds the threshold of PKR 3,600,000 in the year, being the threshold set by the directors for disclosure in annual reports.

PATTERN OF SHAREHOLDING

The shares of the Company are listed on the Pakistan Stock Exchange. There were 6,933 shareholders of the Company as of 30th June 2025. The detailed pattern of shareholding and categories of shareholding of the Company including shares held by directors and executives, if any, are annexed as Annexure-III.

FINANCIAL AND BUSINESS HIGHLIGHTS

The key operating and financial data has been given in summarized form under the caption "Financial & Business Highlights – Six years at a glance" on Page # ____.

INVESTMENT IN RETIREMENT BENEFITS

The value of investment made by the staff Provident Fund operated by the Company as per their respective audited financial statements as of 30th June 2025 amounts to PKR 72.99 million.

AUDIT COMMITTEE

As required under the Code of Corporate Governance, the Audit Committee continued to perform as per its terms of reference duly approved by the Board. The Committee composition and salient features of its terms of reference are also attached with this report.

AUDITORS

The present external auditors M/s. A. F. Ferguson & Co., Chartered Accountants, shall retire at the conclusion of Annual General Meeting on 24th October 2025 and being eligible, have offered themselves for reappointment for the year ending on 30th June 2026. The external auditors hold satisfactory rating by the Institute of Chartered Accountants of Pakistan (ICAP) as required under their Quality Control Review Program. As suggested by the Audit Committee, the Board recommends reappointment of M/s. A. F. Ferguson & Co., Chartered Accountants, as auditors of the Company for the financial year ending on 30th June 2026 at a fee to be mutually agreed.

Approval to this effect will be sought from the shareholders at the forthcoming Annual General Meeting scheduled on 24th October 2025.

COMPLIANCE WITH SECRETARIAL PRACTICES

During the financial year under review, the secretarial and corporate requirements of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 have been duly complied with.

RELATED PARTY TRANSACTIONS

In order to comply with the requirements of listing regulations, the Company presented all related party transactions before the Audit Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and Board of Directors in their respective meetings. The details of related party transactions have been provided in Note # 41 of the annexed audited financial statements.

ACKNOWLEDGEMENT

The Directors are grateful to the Company's stakeholders for their continuing confidence and patronage. We wish to place on record our appreciation and thanks for the faith and trust reposed by our Business Partners, Bankers & Financial Institutions. We thank the Ministry of Finance, the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan, the Competition Commission of Pakistan, Central Depository Company of Pakistan and the management of Pakistan Stock Exchange for their continued support and guidance which has gone a long way in giving present shape to the Company. We acknowledge the hard work put in by employees of the Company during the year. We also appreciate the valuable contribution and active role of the members of the audit and other committees in supporting and guiding the management on matters of great importance.

For and on behalf of the Board

- Signed -

Mr. Arif Habib
Chief Executive

- Signed -

Mr. Asadullah Khawaja
Chairman

Karachi: 22nd September 2025